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Washington, Wednesday, September 22, 1937

PRESIDENT OF THE UNITED STATES.

FIRE PREVENTION WEEK—1937

By the President of the United States of America

A PROCLAMATION

WHEREAS more than ten thousand lives are lost each year as a result of fires in the United States; and

WHEREAS the property loss from fires in the United States in 1936 was more than \$260,000,000, a marked increase over the loss in 1935; and

WHEREAS this upward trend in the devastation wrought by fires can be corrected only through the earnest effort of everyone; and

WHEREAS it has been customary for the President of the United States to request public observance of Fire Prevention Week in an effort to bring home to every citizen a realization of individual responsibility in the movement to curtail losses of life and property from preventable fires;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, do hereby proclaim and designate the week beginning October 3, 1937, as Fire Prevention Week and invite the active cooperation of all our people in the elimination of fire hazards and the prevention of fire waste, to the end that human life may be safeguarded and the national prosperity increased.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 18th day of September, in the year of our Lord nineteen hundred and [SEAL] thirty-seven, and of the Independence of the United States of America the one hundred and sixty-second.

FRANKLIN D. ROOSEVELT

By the President.

CORDELL HULL

Secretary of State.

[No. 2252]

[F. R. Doc. 37-2804; Filed, September 21, 1937; 12:24 p. m.]

TREASURY DEPARTMENT.

Bureau of Customs.

[T. D. 49157]

COUNTERVAILING DUTIES—SUGAR FROM AUSTRALIA

TREASURY DECISIONS REQUIRING ASSESSMENT AND COLLECTION OF COUNTERVAILING DUTIES ON SUGAR CONTENTS OF JAMS, CANNED FRUITS, ETC., OF AUSTRALIA, SUPERSEDED. COLLECTORS OF CUSTOMS INSTRUCTED, PURSUANT TO SECTION 303 OF THE TARIFF ACT OF 1930 (U. S. C., TITLE 19, SEC. 1303) TO REQUIRE DEPOSIT OF ESTIMATED DUTIES AND SUSPENDED LIQUIDATION OF ENTRIES COVERING SUCH MERCHANDISE PENDING DETERMINATION OR ESTIMATION AND DECLARATION OF NET AMOUNTS OF BOUNTIES

OR GRANTS PAID OR BESTOWED AND OF AMOUNTS OF COUNTERVAILING DUTIES TO BE COLLECTED

To Collectors of Customs and Others Concerned:

Reference is made to Treasury Decision 39310, dated November 16, 1922, as amended by (1923) Treasury Decisions 39541, 39789, and 39812, requiring the assessment and collection of countervailing duties equal to the net amounts of the bounties paid with respect to the sugar contained in certain Australian products.

Official information has been received that at the present time bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (U. S. C., title 19, sec. 1303) are being paid or bestowed with respect to the sugar contained in products of Australia exported from that country at varying rates depending upon the net home consumption price of sugar and an Australian equivalent of the world parity price of that commodity.

In view of the changed conditions with respect to bounties or grants paid or bestowed upon products from Australia containing sugar and pursuant to section 303 of the Tariff Act of 1930, the liquidation of entries covering fruit products and all other manufactured products from Australia containing sugar entered for consumption or withdrawn from warehouse for consumption after 30 days after the publication of this decision in the weekly Treasury Decisions shall be suspended pending declaration of the net amount of the bounty or grant paid or bestowed in each case and the amount of the countervailing duties to be collected. A deposit of estimated countervailing duties in the amount of 20 pounds, 11 shillings, 8 pence (Australian currency) for each ton of 2240 pounds of sugar contained in fruit products, and 22 pounds, 15 shillings, 8 pence (Australian currency) for each ton of 2240 pounds of sugar contained in all manufactured products other than fruit products imported directly or indirectly from Australia shall be required at the time of entry in addition to the deposit of the estimated regular duties.

The facts with respect to each shipment of such merchandise from Australia, imported directly or indirectly, and entered for consumption or withdrawn from warehouse for consumption, on or after the effective date of this decision, shall be reported promptly to the Bureau of Customs.

This treasury decision shall become effective and supersede Treasury Decision 39310, as amended by Treasury Decisions 39789 and 39812, after 30 days after publication in the weekly Treasury Decisions.

The instructions contained in Treasury Decision 39541 relating to the methods for determining the sugar contents of various products shall remain in effect.

[SEAL]

H. A. BENNER,

Acting Commissioner of Customs.

Approved, September 15, 1937.

WAYNE TAYLOR,

Acting Secretary of the Treasury.

[F. R. Doc. 37-2796; Filed, September 20, 1937; 2:44 p. m.]



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TABLE OF CONTENTS

Department of Agriculture:	
Agricultural Adjustment Administration:	Page
Sugar, regulations governing notice and opportunity for hearing concerning allotment of quotas or prorations thereof, etc.....	2200
Federal Trade Commission:	
Complaint and notice of hearing in the matter of: Muller, E. B., and Co., and Heinr. Franck Sons, Inc....	2202
Order appointing examiner, etc., in matter of: Sohn, Abraham and Benjamin, doing business as Sohn Bros.....	2202
President of the United States:	
Proclamation:	
Fire Prevention Week, 1937.....	2199
Rural Electrification Administration:	
Allocation of funds for loans.....	2204
Securities and Exchange Commission:	
Notice of and orders for hearings in the matter of:	
Loeb & Shaw, Inc.....	2204
Midland Utilities Co.....	2205
Order granting application to withdraw from listing and registration in matter of:	
Chalmers Oil and Gas Co., 8% cumulative preferred stock, \$5.00 par value.....	2205
Order setting hearing on application to withdraw from listing and registration in matter of:	
Sutherland Paper Co., common stock, \$10.00 par value.....	2205
Securities Act of 1933:	
Rule as to non-disclosure of certain information....	2204
Treasury Department:	
Bureau of Customs:	
Countervailing duties—Sugar from Australia.....	2199
United States Maritime Commission:	
Construction differential subsidies, applications for.....	2205
Operating-Differential Subsidy Agreement, information and procedure required under.....	2210
Operating-differential subsidy, application for.....	2211

DEPARTMENT OF AGRICULTURE.

Agricultural Adjustment Administration.

[General Sugar Regulations, Series 2, No. 2]

REGULATIONS GOVERNING NOTICE AND OPPORTUNITY FOR HEARING CONCERNING ALLOTMENT OF QUOTAS OR PRORATIONS THEREOF AND THE ISSUANCE OF ORDERS PERTAINING THERETO

GENERAL SUGAR REGULATIONS MADE BY THE SECRETARY OF AGRICULTURE UNDER THE SUGAR ACT OF 1937

By virtue of the authority vested in the Secretary of Agriculture by the Sugar Act of 1937, approved September 1, 1937, I, H. A. Wallace, Secretary of Agriculture, in order to carry out the powers vested in me by the said act, do hereby make, prescribe, publish, and give public notice of these regulations, which shall have the force and effect of law and shall continue in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture.

Article I—Definitions

SECTION 100. As used in these regulations:

(a) The term "Act" means the Sugar Act of 1937, approved September 1, 1937.

(b) The term "Secretary" means the Secretary of Agriculture of the United States.

(c) The term "Department" means the United States Department of Agriculture.

(d) The term "Hearing Clerk" means the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, Washington, D. C.

(e) The term "Federal Register" means the publication provided for by the Act of July 26, 1935.

(f) The term "person" means an individual partnership, corporation, or association.

Article II—Hearing on Allotments of Quotas and Prorations Thereof

SECTION 200. When Held.—

Whenever the Secretary finds that the allotment of any quota or any proration thereof is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate and foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar, he shall hold, or cause to be held, one or more hearings and give persons who market or import sugar or liquid sugar due notice and opportunity to be heard.

SEC. 201. Notice of Hearing.—

(a) *Contents of Notice.*—The notice with respect to any hearing shall include a brief summary of the purpose of the hearing, the time and place of such hearing, and the place where a summary or outline of any proposed allotment, or of any proposed revision or amendment of any existing allotment, may be obtained.

(b) *Manner of Giving Notice.*—The Hearing Clerk shall give such notice in the following manner:

(1) By posting a copy of the notice on the official bulletin board maintained by the Hearing Clerk.

(2) By publication of such notice in the **FEDERAL REGISTER**.

(3) By issuing a press release containing or describing such notice and making the same available to such newspapers as will reasonably tend to bring notice to the persons entitled to allotments.

(4) Such other means may be used to give notice, in addition to the above, as are calculated to give actual notice to such persons.

(5) Proof of giving notice hereunder shall be made by the affidavit of the Hearing Clerk. Such affidavit shall be filed in the Office of the Hearing Clerk and the filing thereof noted on a docket. Whenever such affidavit has

been filed, it shall constitute a paper or document of the Department within the meaning of Title 28, section 661, of the United States Code.

(6) Failure to give notice by any one or more of the means herein provided shall not invalidate, or limit the application of, any order allotting any quota or any proration, thereof, provided notice otherwise sufficient has been given.

(c) *Time of Notice.*—Such notice of hearing shall be issued at least ten days prior to the date fixed for the hearing set forth in said notice unless the Secretary shall determine that an emergency exists which requires a shorter period of notice, in which case the period of notice shall be that which the Secretary may determine to be reasonable in the circumstances.

SEC. 202. *Designation and Powers of Presiding Officer.*—Each such hearing shall be conducted by a presiding officer, who shall be the Secretary or such officer or employee of the Department as the Secretary may designate for that purpose. Any such designation may be made or revoked by the Secretary at any time. Such hearing shall be conducted in a manner to be determined by the presiding officer to afford a full, fair, and reasonable hearing, subject to the provisions of the Act and applicable regulations issued pursuant thereto.

SEC. 203. *Continuance of Hearing.*—Each such hearing shall be held at the time and place set forth in the notice of hearing, but may at such time and place be continued from day to day or adjourned to a later day or to a different place without notice other than the announcement thereof at the hearing by the presiding officer.

SEC. 204. *Submission of Evidence.*—All persons, including also the Secretary and those testifying in his behalf, shall be given reasonable opportunity to offer evidence concerning any proposed allotment or any proposed revision or amendment of any existing allotment made pursuant to subsection (a) of section 205 of the Act. Every witness shall, before proceeding to testify, be sworn or make affirmation, after which he shall state his name, address, occupation, and whom he represents at the hearing, and shall give such other information respecting his appearance as the presiding officer may request. Where necessary in order to prevent undue prolongation of the hearing, the presiding officer may limit the number of times any witness may testify, or the length of time any witness may consume in giving testimony, or the length of time to be consumed in the asking of questions. The presiding officer shall confine the evidence to relevant matters but need not apply the technical rules of evidence. Affidavits as to relevant economic facts shall be admitted in evidence and shall be considered by the Secretary, and opinion evidence shall be admitted where the presiding officer is satisfied that the witness is qualified to give such evidence.

SEC. 205. *Order of Procedure.*—

(a) The presiding officer shall read the notice of hearing and the designation of the presiding officer, and shall then outline briefly the procedural rules to be followed. The presiding officer shall then cause the questions to which the hearing relates to be stated without argument or comment.

(b) Evidence shall then be received with respect to the matters indicated in the notice of the hearing in such order as the presiding officer may prescribe. Additions to and modifications of any proposed allotment, or of any proposed revision or amendment of any existing allotment, may be proposed at this time and insofar as practicable shall be in writing, but in any event the record shall show who made such proposal.

SEC. 206. *Transcript of Testimony.*—Testimony given at a hearing shall be reported verbatim. All written statements, charts, tabulations, or similar data offered in evidence at the hearing shall, after identification by the proponent and upon satisfactory showing of the authenticity, relevancy, and materiality of the contents thereof, be numbered as exhibits and received in evidence and made a part

of the record. Such exhibits shall, if possible under the circumstances, be submitted in quadruplicate and in type-written, printed, or mimeographed form. In case the required number of copies should not be made available, the presiding officer shall exercise his discretion as to whether said exhibit shall be read into the transcript of testimony or whether additional copies shall be required to be submitted within a time to be specified by the presiding officer. Where the testimony of a witness refers to a statute, or to a report or published document either of a public or private nature, the presiding officer shall, after inquiries relating to and identification of such document, determine whether the same shall be produced at the hearing and physically be made a part of the record or whether it shall be incorporated into the record of the hearing by reference. Where relevant and material matter offered in evidence is embraced in a document containing matter not material or relevant, such immaterial and irrelevant parts shall be excluded and shall be segregated insofar as practicable.

SEC. 207. *Written Arguments.*—The presiding officer shall announce at the hearing a reasonable period (not less than ten days from the date of the conclusion of the hearing) within which written arguments based solely on the evidence received at the hearing may be filed in the office of the Hearing Clerk. Such period may be extended by the presiding officer for good cause, such as delay in the furnishing of the transcript or the transcript being of such volume that it may not be thoroughly digested within the period first fixed.

SEC. 208. *Filing the Record.*—The presiding officer shall, as soon as possible after the close of a hearing, notify the Hearing Clerk of its close and of the time for filing written arguments, and furnish the Hearing Clerk with such other information as may be necessary. As soon as possible after the close of the hearing, the presiding officer shall transmit to the Hearing Clerk an original and three copies of the transcript of the testimony and the original and all copies of exhibits not already on file in the office of the Hearing Clerk. He shall attach to the original transcript of the testimony a certificate stating that the transcript is a true transcript of the testimony given at the hearing except in such particulars as he shall specify, and that the exhibits transmitted are all the exhibits introduced at the hearing with such exceptions as he shall specify. A copy of such certificate shall be attached to each of the copies of the transcript of testimony. In accordance with such certificate the Hearing Clerk shall note upon each copy of the transcript each correction detailed therein by adding or crossing out (but without obscuring the text as originally transcribed) at the appropriate place any words necessary to make the text conform to the correct meaning.

SEC. 209. *Copies of Record.*—Any person desiring a copy of the transcript of the testimony or of any filed written exhibit or written argument shall be entitled to the same upon application to the Hearing Clerk and upon payment of fees therefor as provided by the regulations of the Department.

Article III—Issuing Allotments of Quotas and Prorations Thereof

SECTION 300. *Notice of Issuance of Order of Allotment.*—Whenever, on the basis of the evidence adduced at a hearing, any order of the Secretary allotting any quota, or any proration thereof, or revising or amending any existing allotment, is issued, a duplicate original order thereof shall thereupon be filed in the office of the Hearing Clerk for public inspection there, and such order shall be published in the Federal Register.

SEC. 301. *Copies of Allotment Orders.*—Upon application to the Hearing Clerk, any person shall be entitled to a copy of any order allotting any quota or any proration thereof which has been finally approved.

Article IV—Public Notice of Foregoing Regulations

SECTION 400. *How Given.*—Public notice of the issuance of the foregoing regulations shall be given by (a) posting a

copy of such regulations on the official bulletin board maintained by the Hearing Clerk; (b) publication in the FEDERAL REGISTER; and (c) issuing a press release containing a description of such regulations and thereafter making available in the office of the Hearing Clerk copies of such regulations for the press.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the District of Columbia, city of Washington, this 21st day of September 1937.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 37-2803; Filed, September 21, 1937; 12:18 p. m.]

FEDERAL TRADE COMMISSION.

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 17th day of September A. D. 1937.

Commissioners: William A. Ayres, Chairman; Garland S. Ferguson, Jr.; Charles H. March, Ewin L. Davis, Robert E. Freer.

[Docket No. 3199]

IN THE MATTER OF ABRAHAM SOHN, AN INDIVIDUAL AND BENJAMIN SOHN, AN INDIVIDUAL, DOING BUSINESS AS SOHN BROS.

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41).

It is ordered, That Robert S. Hall, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony in this proceeding begin on Friday, October 1, 1937, at ten o'clock in the forenoon of that day (central standard time), in room 1123 New Post Office Building, 433 West Van Buren St., Chicago, Ill.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report. By the Commission.

[SEAL]

OTIS B. JOHNSON, Secretary.

[F. R. Doc. 37-2800; Filed, September 21, 1937; 9:47 a. m.]

United States of America Before Federal Trade Commission

[Docket No. 3224]

IN THE MATTER OF E. B. MULLER AND COMPANY, A CORPORATION AND HEINR. FRANCK SONS, INC., A CORPORATION

COMPLAINT

Pursuant to the provisions of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" (the Federal Trade Commission Act), and pursuant to the provisions of an Act of Congress approved October 15, 1914, entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (the Clayton Act), as amended by an Act approved June 19, 1936, entitled "An Act to amend section 2 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended

(U. S. C., title 15, sec. 13), and for other purposes" (the Robinson-Patman Act), the Federal Trade Commission, having reason to believe that E. B. Muller and Company and Heinr. Franck Sons, Inc., have violated and are now violating the provisions of the said Federal Trade Commission Act and the said Clayton Act, as amended, issues this its complaint against the said E. B. Muller and Company and the said Heinr. Franck Sons, Inc., respondents in this proceeding, and states its charges as follows, to-wit:

Count I

PARAGRAPH 1. Said respondent E. B. Muller and Company is a corporation organized and existing under the laws of the State of Michigan and has its principal office and place of business at 220 Quay Street in the City of Port Huron, Michigan.

PAR. 2. Said respondent Heinr. Franck Sons, Inc., is a corporation organized and existing under the laws of the State of Delaware and has its principal office and place of business at 131 Avery Avenue in the City of Flushing, New York.

PAR. 3. The officers of the respondent E. B. Muller and Company are H. Gordon McMorran, President, C. C. McMorran, Vice-President, and Mrs. Charlotte H. McMorran, Secretary-Treasurer. Said officers comprise the board of directors of respondent E. B. Muller and Company. The officers of the respondent Heinr. Franck Sons, Inc., are David McMorran, President, A. F. Kalk, Vice-President, and Eugene Beitter, Secretary-Treasurer. Said last named officers comprise the board of directors of Heinr. Franck Sons, Inc. David McMorran and Mrs. Charlotte H. McMorran are, respectively, husband and wife, and father and mother of H. Gordon McMorran and C. C. McMorran. Respondent E. B. Muller and Company has outstanding 30,000 shares of common stock, of which Mrs. Charlotte H. McMorran owns 25,619 shares. Respondent E. B. Muller and Company has no preferred stock. Respondent Heinr. Franck Sons, Inc., has outstanding 10,000 shares of common stock, all of which is owned by David McMorran, and 5,430 shares of preferred stock, of which David McMorran, through his ownership of the stock of the Michigan Debenture Company, a corporation, owns 4,400 shares and Eugene Beitter owns 1,030 shares. The respondents dominate the market for raw chicory in the United States and purchase and use in their respective businesses the greater part of all raw chicory produced in the United States. The respondents also dominate the granulated chicory market in the United States, manufacturing and selling the greater part of all granulated chicory manufactured and sold in the United States. In the course and conduct of their respective businesses, as is more particularly hereinafter stated, the respondents are engaged in competition with other purchasers and users of raw chicory in the United States and with other manufacturers and sellers of granulated chicory in the United States, and if those competitively engaged with the respondent in the United States in the purchase and use of raw chicory and the manufacture and sale of granulated chicory are eliminated from the business of purchasing and using raw chicory and manufacturing and selling granulated chicory, the above mentioned David McMorran and Mrs. Charlotte H. McMorran, husband and wife, will have and enjoy, through the respondents, a monopoly in the purchase and use of raw chicory in the United States and in the manufacture and sale of granulated chicory in the United States.

PAR. 4. For more than two years prior hereto the respondents have been, and are now, engaged in the business of manufacturing granulated chicory from raw chicory and in selling and shipping granulated chicory, and in the course and conduct of their respective businesses the respondents have sold and shipped, and do now sell and ship, granulated chicory in commerce between and among the various states of the United States from the states in which their respective factories are located and from states in which they maintain stocks of granulated chicory across state lines to purchasers thereof located in states other than the states

in which respondents' said factories are located and other than the states in which respondents maintain stocks of granulated chicory.

PAR. 5. In the course and conduct of their businesses, as aforesaid, the respondents have been, and are now, engaged in substantial competition in commerce with other manufacturers and sellers of granulated chicory who, for more than two years prior hereto have been, and are now, manufacturing granulated chicory from raw chicory and selling and shipping granulated chicory in commerce across state lines between and among the various states of the United States.

PAR. 6. In the course and conduct of their businesses, as aforesaid, with the intent, purpose and effect of injuring, restraining, suppressing and destroying competition in commerce in the manufacture and sale of granulated chicory between themselves and competing manufacturers and sellers of granulated chicory, the respondents have been, and are now, manufacturing granulated chicory and selling, shipping, and delivering the said granulated chicory across state lines to purchasers thereof at prices below the cost to the respondents of manufacturing, selling, shipping and delivering said granulated chicory.

PAR. 7. The effect and result of the sale and delivery by respondents of granulated chicory in commerce across state lines to purchasers thereof at prices below the cost to the respondents of manufacturing, selling, shipping, and delivering the same, as aforesaid, have been, and are now, unduly and substantially to injure, restrain and suppress competition between respondents and their competitors in the manufacture of granulated chicory and the sale and shipment thereof in commerce across state lines and to tend to create in respondents a monopoly in the manufacture and sale of granulated chicory.

PAR. 8. The sale of granulated chicory by the respondents below cost as above alleged in Paragraph Six hereof, with the effect and result as alleged in Paragraph Seven hereof, is to the injury and prejudice of the public and to the injury and prejudice of respondents' competitors and constitutes an unfair method of competition in commerce within the intent and meaning of Section 5 of the aforesaid Federal Trade Commission Act approved September 26, 1914.

Count II

PARAGRAPH 1. Paragraph One, Paragraph Two, Paragraph Three, Paragraph Four and Paragraph Five of Count I of this complaint are, by reference, incorporated herein and made a part hereof as fully and completely as if set out verbatim.

PAR. 2. In the course and conduct of their respective businesses, as aforesaid, since June 19, 1936, the respondents have been, and are now, discriminating in price between different purchasers of granulated chicory of like grade and quality sold and shipped by the respondents in commerce across state lines to said purchasers for use, consumption and resale by them within the United States, in that the respondents have sold and shipped, and are now selling and shipping, granulated chicory in commerce across state lines, for use, consumption and resale within the United States, to certain purchasers of said granulated chicory at prices below the prices at which the respondents have sold and shipped, and are now selling and shipping, in commerce across state lines, for use, consumption and resale within the United States, granulated chicory of like grade and quality to other purchasers of said granulated chicory engaged in competition with the former purchasers in the use, consumption and resale within the United States of said granulated chicory, and the respondent E. B. Muller and Company has been, and is now, further and additionally discriminating in price between different purchasers of granulated chicory of like grade and quality sold and shipped by the said respondent E. B. Muller and Company in commerce across state lines to said purchasers for use, consumption and resale by them within the United States, in that

upon the said respondent E. B. Muller and Company's sales to purchasers of granulated chicory of like grade and quality, sold and shipped in commerce across state lines by the said respondent E. B. Muller and Company to said purchasers for use, consumption and resale by them within the United States, the said respondent E. B. Muller and Company has been, and is now, granting, allowing and paying to certain favored purchasers rebates upon said favored purchasers' purchases of granulated chicory from the said respondent E. B. Muller and Company and denying to other purchasers engaged in competition with said favored purchasers rebates upon said other purchasers' purchases of granulated chicory from the said respondent E. B. Muller and Company.

PAR. 3. The effect of said discriminations in price made by the respondents in the sale of granulated chicory as above set forth in Paragraph Two of this Count has been and may be substantially to lessen competition or to injure, destroy or prevent competition between respondents and their competitors in the manufacture, sale and distribution of granulated chicory, and to tend to create in respondents a monopoly in the manufacture, sale and distribution of granulated chicory and has been and may be substantially to lessen competition or to injure, destroy or prevent competition in the use, consumption or resale of granulated chicory within the United States between those customers of respondents who receive the benefit of the lower prices or rebates above mentioned in Paragraph Two of this Count and those customers of respondents engaged in competition with them who do not receive the benefit of said lower prices or said rebates.

PAR. 4. The aforesaid discriminations in price made by the respondents as above stated in Paragraph Two of this count constitute a violation of the provisions of Paragraph (a) of Section 2 of the above mentioned Clayton Act, as amended.

Wherefore, the premises considered, The Federal Trade Commission, on this 11th day of September, A. D. 1937, hereby issues this its complaint against said respondents.

Notice

Notice is hereby given you, E. B. Muller and Company, a corporation, and Heinr. Franck Sons, Inc., a corporation, respondents herein, that the 15th day of October, A. D. 1937, at 2:00 o'clock in the afternoon, is hereby fixed as the time, and the offices of the Federal Trade Commission in the City of Washington, D. C., as the place, when and where a hearing will be had on the charges set forth in this complaint, at which time and place you will have the right, under said Acts, to appear and show cause why an order should not be entered by said Commission requiring you to cease and desist from the violations of law charged in the complaint.

You are notified and required, on or before the twentieth day after service upon you of this complaint, to file with the Commission an answer to the complaint. If answer is filed and if your appearance at the place and on the date above stated be not required, due notice to that effect will be given you. The Rules of Practice adopted by the Commission with respect to answers or failure to appear or answer (Rule VII) provide as follows:

In case of desire to contest the proceeding the respondent shall, within twenty (20) days from the service of the complaint, file with the Commission an answer to the complaint. Such answer shall contain a short and simple statement of the facts which constitute the ground of defense. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint, unless respondent is without knowledge, in which case respondent shall so state.

Failure of the respondent to file answer within the time above provided or failure to appear at the time and place fixed for hearing shall be deemed to authorize the Commission, without further hearing or notice to respondent, to pro-

ceed in regular course on the charges set forth in the complaint, and to make, enter, issue and serve upon respondent findings of fact and an order to cease and desist.

If respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceeding, the answer may consist of a statement that respondent admits all the material allegations of the complaint to be true. Any such answer shall be deemed to waive a hearing thereon, and to authorize the Commission, without trial and without further evidence, or other intervening procedure, to make, enter, issue, and serve upon respondent:

(a) In cases arising under section 5 of the act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" (the Federal Trade Commission Act), or under sections 2 and 3 of the act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (the Clayton Act), or under section 2 of the aforesaid Clayton Act as amended by "An act to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes' approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes", approved June 19, 1936 (the Robinson-Patman Act), findings of fact and an order to cease and desist from the violations of law charged in the complaint.

In witness whereof, the Federal Trade Commission has caused this, its complaint, to be signed by its Secretary, and its official seal to be hereto affixed, at Washington, D. C., this 11th day of September, A. D. 1937.

By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 37-2801; Filed, September 21, 1937; 9:47 a. m.]

RURAL ELECTRIFICATION ADMINISTRATION.

[Administrative Order No. 138]

ALLOCATION OF FUNDS FOR LOANS

SEPTEMBER 15, 1937.

By virtue of the authority vested in me by the provisions of Section 4 of the Rural Electrification Act of 1936, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation:	Amount
Minnesota 8048W Anoka.....	\$20,000
Minnesota 8057W Otter Tail.....	10,000
Mississippi 8023B Copiah.....	45,000
South Dakota 8007W Lincoln.....	20,000
Virginia 8027W Nottoway.....	15,000
Wisconsin 8031B Columbia.....	68,000
Wyoming 8011W Lincoln.....	23,000

JOHN M. CARMODY, *Administrator.*

[F. R. Doc. 37-2802; Filed, September 21, 1937; 9:53 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

SECURITIES ACT OF 1933

RULE AS TO NON-DISCLOSURE OF CERTAIN INFORMATION

The Securities and Exchange Commission acting pursuant to authority conferred upon it by the Securities Act of 1933, particularly Section 19 (a) thereof, and finding that the disclosure of information obtained in the course of examinations and investigations conducted pursuant to Sections 8 (e) and 20 (a) would be contrary to the public interest and would interfere with the execution of the functions vested in the Commission, hereby adopts the following rule:

RULE 122—NON-DISCLOSURE OF INFORMATION OBTAINED IN THE COURSE OF EXAMINATIONS AND INVESTIGATIONS

Information or documents obtained by officers or employees of the Commission in the course of any examination or in-

vestigation pursuant to Section 8 (e) or 20 (a) shall, unless made a matter of public record, be deemed confidential. Officers and employees are hereby prohibited from making such confidential information or documents available to anyone other than a member, officer, or employee of the Commission, unless the Commission authorizes the disclosure of such information or the production of such documents as not being contrary to the public interest. Any officer or employee who is served with a subpoena requiring the disclosure of such information or the production of such documents shall appear in court and, unless the authorization described in the preceding sentence shall have been given, shall respectfully decline to disclose the information or produce the documents called for, basing his refusal upon this rule. Any officer or employee who is served with such a subpoena shall promptly advise the Commission of the service of such subpoena, the nature of the information or documents sought, and any circumstances which may bear upon the desirability of making available such information or documents.

The foregoing action shall be effective immediately upon publication.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37-2806; Filed, September 21, 1937; 12:44 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 21st day of September, A. D. 1937.

[File No. 51-5]

IN THE MATTER OF LOEB & SHAW, INC.

NOTICE OF AND ORDER FOR HEARING

An application having been duly filed with this Commission, by Loeb & Shaw, Inc., a subsidiary company of North American Gas and Electric Company, a registered holding company, pursuant to Section 12 & Rule 12C-2 thereunder of the Public Utility Holding Company Act of 1935, for approval of the payment of dividends by applicant out of unearned surplus (which applicant states is created by reduction in its capital stock) in an amount aggregating \$17,000;

It is ordered, That a hearing on such matter be held on October 7, 1937, at ten o'clock in the forenoon of that day at Room 1103, Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C.; and

Notice of such hearing is hereby given to said party and to any interested State, State commission, State securities commission, municipality, and any other political subdivision of a State, and to any representative of interested consumers or security holders, and any other person whose participation in such proceedings may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before October 2, 1937.

It is further ordered, That Robert P. Reeder an officer of the Commission, be and he hereby is designated to preside at such hearing, and authorized to adjourn said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of the taking of testimony in this matter, the officer conducting said hearing is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37-2807; Filed, September 21, 1937; 12:45 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 21st day of September, A. D. 1937.

[File No. 34-7]

IN THE MATTER OF MIDLAND UTILITIES COMPANY

NOTICE OF AND ORDER FOR HEARING

An application having been duly filed with this Commission, by Melvin L. Emerich, Robert P. Minton and Leo J. Sheridan, as a committee for the holders of debentures of Midland Utilities Company pursuant to Section 11 (g) of the Public Utility Holding Company Act of 1935, for a report on a proposed plan of reorganization for Midland Utilities Company, a subsidiary of Midland United Company, both registered holding companies, which is presently the subject of reorganization proceedings pursuant to Section 77B of the Bankruptcy Act in the United States District Court for the District of Delaware.

It is ordered, That a hearing on such matter be held on October 12, 1937, at 10:30 o'clock in the forenoon of that day at Room 1103, Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C.; and

Notice of such hearing is hereby given to said party and to any interested State, State commission, State securities commission, municipality, and any other political subdivision of a State, and to any representative of interested consumers or security holders, and any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before October 7, 1937.

It is further ordered, That Charles S. Lobingier, an officer of the Commission, be and he hereby is designated to preside at such hearing, and authorized to adjourn said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of the taking of testimony in this matter, the officer conducting said hearing is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-2805; Filed, September 21, 1937; 12:44 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 20th day of September, 1937.

[File No. 1-1698]

IN THE MATTER OF CHALMERS OIL AND GAS COMPANY, 8%
CUMULATIVE PREFERRED STOCK, \$5.00 PAR VALUE

ORDER GRANTING APPLICATION TO WITHDRAW FROM LISTING AND
REGISTRATION

The Chalmers Oil and Gas Company, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule JD2 promulgated thereunder, having made application to withdraw its 8% cumulative preferred stock, \$5.00 par value, from listing and registration on the Baltimore Stock Exchange; and

After appropriate notice¹ a hearing having been held in this matter; and

The Commission having considered said application together with the evidence introduced at said hearing, and having due regard for the public interest and the protection of investors;

It is ordered, That said application be and the same is hereby granted, effective at the close of the trading session on September 30, 1937.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-2809; Filed, September 21, 1937; 12:45 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C. on the 20th day of September 1937.

[File No. 1-308]

IN THE MATTER OF SUTHERLAND PAPER COMPANY COMMON
STOCK, \$10.00 PAR VALUE

ORDER SETTING HEARING ON APPLICATION TO WITHDRAW FROM
LISTING AND REGISTRATION

The Sutherland Paper Company, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule JD2 promulgated thereunder, having made application to the Commission to withdraw its Common Stock \$10.00 Par Value, from listing and registration on the Chicago and Detroit Stock Exchanges; and

The Commission deeming it necessary for the protection of investors that a hearing be held in this matter at which all interested persons be given an opportunity to be heard;

It is ordered, That the matter be set down for hearing at 10:00 o'clock A. M., on Wednesday, October 13, 1937, in Room 209, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue, N. W., Washington, D. C., and continue thereafter at such times and places as the Commission or its officer herein designated shall determine, and that general notice thereof be given; and

It is further ordered, That Charles S. Moore, an officer of the Commission, be and he hereby is designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-2808; Filed, September 21, 1937; 12:45 p. m.]

UNITED STATES MARITIME COMMISSION.

[General Order No. 11]

APPLICATIONS UNDER TITLE V, MERCHANT MARINE ACT 1936,
FOR CONSTRUCTION DIFFERENTIAL SUBSIDIES

1. Effective immediately General Order No. 7, dated March 19, 1937,¹ including the regulations thereto attached, is rescinded.

2. The Commission hereby adopts the following forms:

a. Form VA-1—Application for aid in the construction of a new vessel to be operated in foreign commerce.

b. Form VA-9—Application for aid in the construction of a new vessel to be operated in domestic trade.

¹ 2 F. R. 1330 (DI).

² 2 F. R. 666 (DI).

3. Each application for a construction differential subsidy shall be filed on the appropriate form above designated and in accordance with the instructions annexed thereto.

By order of the United States Maritime Commission.

[SEAL]

W. C. PEET, Jr., Secretary.

AUGUST 23, 1937.

Approved 8/23/37

FORM VA 1

APPLICATION FOR AID IN THE CONSTRUCTION OF A NEW VESSEL TO BE OPERATED IN FOREIGN COMMERCE

The undersigned Applicant, _____, hereby applies under Section 501 (a) of the Merchant Marine Act, 1936, for a construction-differential subsidy to aid in the construction of a new vessel hereinafter described (herein sometimes referred to as "the new vessel") to be used on a service, route, or line in the foreign commerce of the United States, determined to be essential under Section 211 of the Act, as hereinafter set forth, and submits in support of its application the following information:

A. As to the Applicant; Its Citizenship and Affiliations.—

1. Exact name.
2. Form or type of organization.
3. State or other sovereign power under the laws of which organized.
4. Address of principal executive offices, and of important branch offices, if any.
5. A list of (a) all subsidiaries and (b) all parent companies of the Applicant, together with an indication of the nature of the business transacted by each. This information may be furnished in the form of a chart, indicating clearly the relationships between the persons named, and the nature and extent of control.
6. The following information with respect to each officer and director of the Applicant:

Name and address	Office	Nationality	Capital shares owned
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

7. The name, address and nationality of, and number of capital shares owned by, each person not named in answer to Item 6, owning of record, or beneficially if known, more than 5 per cent of the outstanding capital shares of any class of the Applicant. If necessary, furnish additional data necessary to establish the fact that, as required by Section 2 of the Shipping Act, 1916, the controlling interest in the Applicant is owned by citizens of the United States.

8. A brief statement of the general effect of each voting agreement, voting trust, or other arrangement whereby the voting rights in any shares of the Applicant are owned, controlled or exercised, or whereby the control of the Applicant is in any way held or exercised by any person not the holder of legal title to such shares. Give the name, address, nationality, and business of any such person, and, if not an individual, the form of organization.

B. As to the Business of the Applicant and Proposed Use of the New Vessel.—

9. A brief description of (a) the shipping business of the Applicant; and (b) any other business activities of the Applicant during the preceding five years. If within such period the Applicant has acquired the business of another person or has been reorganized, there should be included a brief description of such acquisition or reorganization.

10. A brief description of the general character and location of the principal property of the Applicant, other than vessels, employed in its business.

11. A list of vessels owned by the Applicant, including (a) name; (b) gross tonnage; (c) net tonnage; (d) deadweight tonnage; (e) age; (f) type; (g) speed; (h) registry; and (i) identification of route or service on which operated.

12. Information similar to that specified in Item 11 as to any vessels chartered to and operated by the Applicant.

13. Briefly, the general terms of each charter for operation (a) of vessels owned by the Applicant and chartered by it to other persons, and (b) of vessels chartered by the Applicant from other persons.

14. Full details concerning the services, routes, or lines on which vessels owned or chartered by the Applicant are now operated, including ports of call, terminal and dock facilities at all such ports, frequency of sailings per year, description of services and voyages, and names of vessels segregated according to services, routes, or lines.

15. Type and kind of cargo now carried in the trade served as stated in the answer to Item 14, information as to how the service or line may be developed for carrying additional types and kinds of cargo, and any factors influencing cargo expectations for the future. If the new vessel is to be a combination passenger and freight vessel, state also, by classes, the passenger accommodations and the number of passengers carried and any factors influencing traffic expectations for the future.

16. Information similar to that called for by the two preceding items with respect to any new service, route, or line which the Applicant proposes presently to establish.

17. Identification of the service, route, or line described in answer to Item 14 or Item 16, on which the Applicant proposes to operate the new vessel, brief description of passengers accommodations and statement of type and kind of cargo to be carried by the new vessel. Any special requirements of such service, route, or line and the manner in which they may be met by the use of the new vessel should be discussed briefly. Any changes in existing services, routes, or lines which the Applicant proposes to make in connection with the use of the new vessel should also be indicated.

18. A statement as to whether or not the new vessel is to be used to replace a vessel now operated by the Applicant and, if so, the name of such vessel and the proposed disposition to be made of it by Applicant; particularly, whether or not the applicant desires the Commission to purchase such vessel pursuant to Section 507 of the Act.

C. As to the Management of the Applicant.—

19. A brief description of the principal business activities during the past five years of each director and each principal executive officer of the Applicant.

20. The name and address of each other organization engaged in shipping activities with which any person named in answer to the preceding item has any present substantial business connection, the name of such person and, briefly, the nature of such connection.

21. The name and address of any person who is now acting or within the past five years has acted as managing or operating agent of the Applicant or in any similar capacity, and briefly, the general terms of any agreement with reference thereto.

D. As to Financial Matters.—

22. If the Applicant has filed within the past five years with the Commission or with any organization to which the Commission has succeeded, any annual report and general financial statement or other financial information on forms prescribed or approved by the Commission or such predecessor, an identification of each such report or statement, including the dates covered, and the date on which delivered to the Commission or its predecessor.

23. A brief statement of the nature of any substantial changes in the financial condition of the Applicant or the results of its operations since the preceding December 31. For details financial statements may be furnished or reference made to statements annexed as exhibits.

24. The estimated cost of construction of the new vessel and full details as to the manner in which the Applicant proposes to obtain the amount needed to defray its part of the cost of such construction (that is, 25 per centum of the construction cost of the vessel, excluding cost of national-defense features). There shall be included full details of any proposed security issue, including names of underwriters; if the Applicant believes that furnishing of such information might be prejudicial to pending negotiations, such information may be submitted under separate cover in a sealed envelope addressed to the Chairman, United States Maritime Commission, marked "Confidential", and enclosed in an inner envelope addressed the same way and labeled "Information required under Item 24 of Construction Aid Application, submitted under confidential cover."

E. As to the New Vessel.—

25. The general characteristics of the proposed new vessel including (a) principal dimensions; (b) gross and deadweight tonnage; (c) bale and grain capacities of all cargo holds; (d) capacities of all tanks, storage spaces, refrigerator cargo spaces and separately chilled cargo spaces; (e) number and classes of passenger accommodations; (f) type and power, and in case of steam machinery, the gauge pressure, total temperature, and vacuum expected of propulsive machinery; (g) kind of fuel to be burned; and (h) sustained sea speed at designed load draft. There should also be given the name of the proposed supervising architect and a brief statement of his experience and qualifications.

26. A general description of the vessel, including a statement of how the proposed construction will result in a vessel which will meet the needs of the service, route, or line for which intended, and the requirements of commerce with emphasis on the following factors: (a) cargo accommodations—cargo space and fittings and appliances for handling and stowing cargo; (b) passenger accommodations; (c) construction and design; and (d) accommodations for officers and crews. There shall here be set forth a statement of the estimated operating expenses and revenues of the new vessel on a voyage basis and a comparison with similar figures for a typical vessel of the

fleet now serving the trade route for which the new vessel is intended. The relative differences in performance from an economic and business standpoint should be pointed out.

F. As to Exhibits Furnished.—

27. A list of exhibits, properly identified, which shall include, at the time of original filing, the following:

Exhibit I.—A copy of the Certificate of Incorporation of the Applicant or other organization papers, including all amendments thereto presently in effect.

Exhibit II.—A copy of the By-Laws or other governing instruments of the Applicant, including all amendments thereto presently in effect.

Exhibit III.—A copy of each contract or agreement presently in effect, referred to in the answer to Item 8, Item 13, Item 21 or Item 24.

Exhibit IV.—A copy (specimen if available) of each form of bonds or notes included in the funded debt of the Applicant, and a copy of each indenture or other instrument under which such securities were issued, including all amendments thereto presently in effect.

Exhibit V.—Unless, as set forth in answer to Item 22, such information has previously been furnished, a copy of the financial statements and related schedules and statistical data which would be required to be furnished if the Applicant had been obligated to the United States of America for a construction loan on and after the preceding December 31. The information included in this exhibit shall be similar to that specified in pages 12 through 54 of the Commission's form of "Annual Report and General Financial Statement for Calendar Year 1936" for various persons, including companies obligated to the United States of America for construction loans.

28. After the information required by the form and the specification of exhibits set forth in Item 27 has been received and considered by the Commission, the following information or data with respect to the new vessel, when requested by the Commission, shall be furnished by the Applicant. Such information or data when so requested and furnished shall become a part of the application and a list thereof shall be furnished as an amendment to this Item 28.

Exhibit VI—Hull Specifications.—

These specifications are to be in sufficient detail to cover fully the construction of the hull and shall include the following data:

- Dimensions.
- Block, prismatic and other coefficients.
- Designed drafts, light and loaded.
- Metacentric heights at full load, $\frac{3}{4}$ cargo, $\frac{1}{2}$ cargo, and at light condition.
- Sustained sea speed at designed load draft, (to be demonstrated as hereinafter required).
- Radius of action at sustained sea speed at designed load draft.
- Standard of subdivision adopted.
- Bale and grain capacities of all cargo holds. Capacities of all tanks, store spaces, refrigerated cargo spaces, and chilled cargo spaces, in cubic feet.
- Estimated deadweight and gross tonnage.
- Total displacement.

Exhibit VII—Hull Plans.—

Midship section, approved by Classification Society acceptable to the Commission.

- Outboard profile, general arrangement.
- Inboard profile, general arrangement.
- General arrangement of all decks and holds.
- Fire screen diagram, inboard profile.
- Fire screen diagram, all decks.
- Lines.
- Hydrostatic curves.

Power curves, model tank experimental run shall be made at the designed load draft.

Floodable length curves, together with basic supporting data therefor, worked out by the method used by Bureau of Marine Inspection & Navigation, Department of Commerce.

Stability data and curves, showing the effect of damage resulting in flooding, in alternate locations, a compartment or group of adjacent compartments corresponding to the number of such compartments for which the ship is basically designed. The data presented should cover the effect of damage at drafts ranging from the departure condition to the arrival condition, with full cargo, $\frac{3}{4}$ cargo and $\frac{1}{2}$ cargo, and should show loss of metacentric height at such drafts due to damage, the metacentric height available before damage, and the amount of ballast, liquid or otherwise, required if necessary to insure positive residual stability in the event of damage.

Exhibit VIII—Machinery Specifications.—

These are to be in sufficient detail to include the following data:

- Type of main propelling machinery.
- Shaft horsepower and propeller revolutions.
- Percentage of propelling power in excess of normal power requirements.
- Engine revolutions per minute for normal power.
- Astern power in percentage of normal ahead power.
- Steam pressure and total temperature at superheater outlet or, when no superheat is used, the steam pressure at boiler outlet.
- Steam pressure and total temperature in high pressure steam chest.
- Vacuum and the temperature of sea water.
- Water rate, straight condensing (prime mover only).
- Heat balance diagram.
- The rate of fuel consumption per shaft horsepower per hour for all purposes, for average climatic conditions under which the vessel will normally operate, for either steam or Diesel installation, as the case may be, shall be the result obtained by dividing the total weight in pounds of fuel consumed per hour by the shaft horsepower transmitted to the propeller shaft, when main propelling machinery is developing the shaft horsepower specified for sustained sea speed. The shaft horsepower specified for sustained sea speed is the normal shaft horsepower, i. e., without any overload.
- The characteristics of the fuel on which the fuel rate is based shall be submitted with the fuel rate. The Applicant shall state the average temperature of the outside air and sea water in degrees Fahrenheit, representing average climatic conditions, upon which is based the computation of the rate of fuel consumption.
- Diameter and pitch of propeller.
- Type of drive and principal characteristics.
- Particulars of all auxiliary machinery, including water rates of steam driven units.

Exhibit IX—Machinery Plans.—

- Arrangement of main propelling and auxiliary machinery.
- Electrical generating plant.
- Refrigerating plant.

Exhibit X—Communication Facilities.—

- Data covering facilities for communication by radio, searchlight, sound or other means.

(Name of Applicant)

By: _____

Attest: _____

Secretary.

STATE OF _____ County of _____, ss.:

I, _____, being duly sworn, depose and say that I am the _____ (Title of office)

of _____, the Applicant on (Exact name of Applicant)

whose behalf I have executed the foregoing application; that the Applicant is a citizen of the United States within the meaning of the Shipping Act, 1916, as amended, (U. S. C., Title 46, Sec. 802); that this application is made for the purpose of inducing the United States Maritime Commission to grant to the Applicant, pursuant to the provisions of the Merchant Marine Act, 1936, and particularly Title V thereof, a construction-differential subsidy to aid in the construction of a new vessel to be used on a service, route or line in the foreign commerce of the United States determined to be essential under Section 211 of the Act; that I have carefully examined the application and all documents submitted in connection therewith and, to the best of my knowledge, information and belief, the statements and representations contained in said application and related documents are full, complete, accurate, and true.

Subscribed and sworn to before me, a _____, in and for the State and county above named, this _____ day of _____, 1937.

My commission expires _____

GENERAL INFORMATION FOR APPLICANTS

An application under Section 501 (a) of the Merchant Marine Act, 1936, for a construction-differential subsidy to aid in the construction of a new vessel to be used on a service, route, or line in the foreign commerce of the United States, determined to be essential under Section 211 of the Act, may be made by any citizen of the United States.

Each application should contain sufficient information to enable the Commission to make the necessary determinations as to (a) citizenship of the Applicant, (b) ability of the Applicant to make the required payment of not less than 25 per cent of the construction cost of the vessel (excluding cost of national-defense features) and to pay the balance of the purchase price within twenty years in not to exceed twenty equal annual installments with interest at 3½ per centum per annum, and (c) the suitability of the proposed vessel to the service, route or line for which intended. Section 501 (b) of the Act requires that the plans and specifica-

tions be submitted to the Navy Department for its examination and suggestions. The Commission may call for any information which it deems pertinent in addition to that specified in the approved form of application.

The Commission has prescribed the following particular requirements affecting design of vessels to be constructed with Commission aid for operation in foreign commerce of the United States:

(a) The standard to be followed in regard to all types of vessels shall be as required by the Report dated November 27, 1936, of the Technical Committee on Safety at Sea of the Sub-Committee on Department of Commerce and Merchant Marine of the Senate Committee on Commerce, pursuant to Senate Resolution No. 7 (74th Congress) as appearing in Senate Report No. 184 (75th Congress—1st Session).

(b) The vessel must be entitled to receive from the American Bureau of Shipping certificates evidencing highest ratings or classifications in all particulars.

(c) Cargo vessels shall be at least one compartment ships.

(d) Provision for fuel and reserve feed water shall be sufficient to insure a radius of action of not less than six thousand (6,000) nautical miles at designed load draft and at the specified sustained sea speed, unless it can be shown that such a requirement will constitute a definite handicap.

(e) The stem is to be so designed as to make it suitable for the installation of paravane gear of the sliding shoe type.

(f) Necessary stiffening of deck shall be provided during construction of the vessel, suitable for mounting such guns as may be specified by the Navy Department after consideration of the plans.

(g) The specifications and plans must represent a vessel which in all her parts, appurtenances, equipment, and outfit will comply with all the laws of the United States applicable thereto, including the requirements of the Bureau of Marine Inspection & Navigation, Commerce Department, the Navy Department, and the United States Public Health Service and all laws of all foreign countries whose ports will be visited by the vessel in the course of its regular operation.

INSTRUCTIONS AS TO PREPARATION OF APPLICATION

1. The application shall be made in triplicate, at least one copy of which shall be signed. The Applicant shall furnish promptly such number of additional copies of the application or any part thereof as the Commission may request.

2. Each application shall be complete. Items or parts of items which are inapplicable may, however, be omitted. The information required by Article 28 need be furnished only as stated in that item. Detailed descriptions of exhibits need not be given. The Applicant may incorporate by specific reference information previously furnished the Commission, provided that such information so incorporated shall have been furnished at least in triplicate and is readily available in the files of the Commission.

3. If any information called for by an applicable item is not furnished, an explanation of the omission shall be given. The Applicant may furnish such relevant information as it may desire, in addition to that specified in the form.

4. Any additional information called for by the Commission from time to time shall be furnished as an amendment or amendments to the application. Each amendment shall be filed in triplicate, shall refer to the application, and shall be numbered and dated. Without any specific request from the Commission, the Applicant shall file from time to time as amendments any information necessary to keep current and correct while the application is pending the information contained therein or furnished in connection therewith.

FORM VA 9

APPLICATION FOR AID IN THE CONSTRUCTION OF A NEW VESSEL TO BE OPERATED IN THE DOMESTIC TRADE

The undersigned Applicant, _____ hereby applies under Section 509 of the Merchant Marine Act, 1936, for aid in the construction of a new vessel hereinafter described (herein sometimes referred to as "the new vessel") to be operated by it in the domestic trade, as hereinafter set forth, and submits in support of its application the following information:

A. As to the Applicant; Its Citizenship and Affiliations.—

1. Exact name.
2. Form or type of organization.
3. State or other sovereign power under the laws of which organized.
4. Address of principal executive offices, and of important branch offices, if any.
5. A list of (a) all subsidiaries and (b) all parent companies of the Applicant, together with an indication of the nature of the business transacted by each. This information may be furnished in the form of a chart, indicating clearly the relationships between the persons named, and the nature and extent of control.
6. The following information with respect to each officer and director of the Applicant:

Name and address	Office	Nationality	Capital shares owned

7. The name, address and nationality of, and number of capital shares owned by, each person not named in answer to Item 6, owning of record, or beneficially if known, more than 5 per cent of the outstanding capital shares of any class of the Applicant. If necessary, furnish additional data necessary to establish the fact that, as required by Section 2 of the Shipping Act, 1916, at least 75 per cent of the interest in the Applicant is owned by citizens of the United States.

8. A brief statement of the general effect of each voting agreement, voting trust, or other arrangement whereby the voting rights in any shares of the Applicant are owned, controlled or exercised, or whereby the control of the Applicant is in any way held or exercised by any person not the holder of legal title to such shares. Give the name, address, nationality, and business of any such person, and, if not an individual, the form of organization.

B. As to the Business of the Applicant and Proposed Use of the New Vessel.—

9. A brief description of (a) the shipping business of the Applicant; and (b) any other business activities of the Applicant during the preceding five years. If within such period the Applicant has acquired the business of another person or has been reorganized, there should be included a brief description of such acquisition or reorganization.

10. A brief description of the general character and location of the principal property of the Applicant, other than vessels, employed in its business.

11. A list of vessels owned by the Applicant, including (a) name; (b) gross tonnage; (c) net tonnage; (d) deadweight tonnage; (e) age; (f) type; (g) speed; (h) registry; and (i) identification of route or service on which operated.

12. Information similar to that specified in Item 11 as to any vessels chartered to and operated by the Applicant.

13. Briefly, the general terms of each charter for operation (a) of vessels owned by the Applicant and chartered by it to other persons, and (b) of vessels chartered by the Applicant from other persons.

14. Full details concerning the services, routes, or lines on which vessels owned or chartered by the Applicant are now operated, including ports of call, terminal and dock facilities at all such ports, frequency of sailings per year, description of services and voyages, and names of vessels segregated according to services, routes, or lines.

15. Type and kind of cargo now carried in the trade served as stated in the answer to Item 14, information as to how the service or line may be developed for carrying additional types and kinds of cargo, and any factors influencing cargo expectations for the future. If the new vessel is to be a combination passenger and freight vessel, state also, by classes, the passenger accommodations and the number of passengers carried and any factors influencing traffic expectations for the future.

16. Information similar to that called for by the two preceding items with respect to any new service, route, or line which the Applicant proposes presently to establish.

17. Identification of the service, route, or line described in answer to Item 14 or Item 16, on which the Applicant proposes to operate the new vessel, brief description of passenger accommodations, and statement of type and kind of cargo to be carried by the new vessel. Any special requirements of such service, route, or line and the manner in which they may be met by the use of the new vessel should be discussed briefly. Any changes in existing services, routes, or lines which the Applicant proposes to make in connection with the use of the new vessel should also be indicated.

18. A statement as to whether or not the new vessel is to be used to replace a vessel now operated by the Applicant and, if so, the name of such vessel and the proposed disposition to be made of it by the Applicant.

C. As to the Management of the Applicant.—

19. A brief description of the principal business activities during the past five years of each director and each principal executive officer of the Applicant.

20. The name and address of each other organization engaged in shipping activities with which any person named in answer to the preceding item has any present substantial business connection, the name of such person and, briefly, the nature of such connection.

21. The name and address of any person who is now acting or within the past five years has acted as managing or operating agent of the Applicant or in any similar capacity, and briefly, the general terms of any agreement with reference thereto.

D. As to Financial Matters.—

22. If the Applicant has filed within the past five years with the Commission or with any organization to which the Commission has succeeded, any annual report and general financial statement or other financial information on forms prescribed or approved by the Commission or such predecessor, an identification of each such report or statement, including the dates covered, and the date on which delivered to the Commission or its predecessor.

23. A brief statement of the nature of any substantial changes in the financial condition of the Applicant or the results of its operations since the preceding December 31. For details financial statements may be furnished or reference made to statements annexed as exhibits.

24. The estimated cost of construction of the new vessel and full details as to the manner in which the Applicant proposes to obtain the amount needed to defray its part of the cost of such construction (that is, 25 per centum of the cost of the vessel, excluding cost of national-defense features). There shall be included full details of any proposed security issue, including names of underwriters; if the Applicant believes that furnishing of such information might be prejudicial to pending negotiations, such information may be submitted under separate cover in a sealed envelope addressed to the Chairman, United States Maritime Commission, marked "Confidential", and enclosed in an inner envelope addressed the same way and labeled "Information required under Item 24 of Construction Aid Application, submitted under confidential cover."

E. As to the New Vessel.—

25. The general characteristics of the proposed new vessel including (a) principal dimensions; (b) gross and deadweight tonnage; (c) bale and grain capacities of all cargo holds; (d) capacities of all tanks, storage spaces, refrigerator cargo spaces and separately chilled cargo spaces; (e) number and classes of passenger accommodations; (f) type and power, and in case of steam machinery, the gauge pressure, total temperature, and vacuum expected of propulsive machinery; (g) kind of fuel to be burned; and (h) sustained sea speed at designed load draft. There should also be given the name of the proposed supervising architect and a brief statement of his experience and qualifications.

26. A general description of the vessel, including a statement of how the proposed construction will result in a vessel which will meet the needs of the service, route, or line for which intended, and the requirements of commerce with emphasis on the following factors: (a) cargo accommodations—cargo space and fittings and appliances for handling and stowing cargo; (b) passenger accommodations; (c) construction and design; and (d) accommodations for officers and crews. There shall here be set forth a statement of the estimated operating expenses and revenues of the new vessel on a voyage basis and a comparison with similar figures for a typical vessel of the fleet now serving the trade route for which the new vessel is intended. The relative differences in performance from an economic and business standpoint should be pointed out.

F. As to Exhibits Furnished.—

27. A list of exhibits, properly identified, which shall include, at the time of original filing, the following:

Exhibit I.—A copy of the Certificate of Incorporation of the Applicant or other organization papers, including all amendments thereto presently in effect.

Exhibit II.—A copy of the By-Laws or other governing instruments of the Applicant, including all amendments thereto presently in effect.

Exhibit III.—A copy of each contract or agreement presently in effect, referred to in the answer to Item 8, Item 13, Item 21 or Item 24.

Exhibit IV.—A copy (specimen if available) of each form of bonds or notes included in the funded debt of the Applicant, and a copy of each indenture or other instrument under which such securities were issued, including all amendments thereto presently in effect.

Exhibit V.—Unless, as set forth in answer to Item 22, such information has previously been furnished, a copy of the financial statements and related schedules and statistical data which would be required to be furnished if the Applicant had been obligated to the United States of America for a construction loan on and after the preceding December 31. The information included in this exhibit shall be similar to that specified in pages 12 through 54 of the Commission's form of "Annual Report and General Financial Statement for Calendar Year 1936" for various persons, including companies obligated to the United States of America for construction loans.

28. After the information required by the form and the specification of exhibits set forth in Item 27 has been received and considered by the Commission, the following information or data with respect to the new vessel, when requested by the Commission, shall be furnished by the Applicant. Such information or data when so requested and furnished shall become a part of the application and a list thereof shall be furnished as an amendment to this Item 28.

Exhibit VI—Hull Specifications.—

These specifications are to be in sufficient detail to cover fully the construction of the hull and shall include the following data:

- Dimensions.
- Block, prismatic and other coefficients.
- Designed drafts, light and loaded.
- Metacentric heights at full load, $\frac{2}{3}$ cargo, $\frac{1}{2}$ cargo, and at light condition.
- Sustained sea speed at designed load draft, (to be demonstrated as hereinafter required).
- Radius of action at sustained sea speed at designed load draft.
- Standard of subdivision adopted.
- Bale and grain capacities of all cargo holds. Capacities of all tanks, store spaces, refrigerated cargo spaces, and chilled cargo spaces, in cubic feet.
- Estimated deadweight and gross tonnage.
- Total displacement.

Exhibit VII—Hull Plans.—

Midship section, approved by Classification Society acceptable to the Commission.

- Outboard profile, general arrangement.
- Inboard profile, general arrangement.
- General arrangement of all decks and holds.
- Fire screen diagram, inboard profile.
- Fire screen diagram, all decks.
- Lines.

Hydrostatic curves.

Power curves, model tank experimental run shall be made at the designed load draft.

Floodable length curves, together with basic supporting data therefor, worked out by the method used by Bureau of Marine Inspection & Navigation, Department of Commerce.

Stability data and curves, showing the effect of damage resulting in flooding, in alternate locations, a compartment or group of adjacent compartments corresponding to the number of such compartments for which the ship is basically designed. The data presented should cover the effect of damage at drafts ranging from the departure condition to the arrival condition, with full cargo, $\frac{2}{3}$ cargo, and $\frac{1}{2}$ cargo, and should show loss of metacentric height at such drafts due to damage, the metacentric height available before damage, and the amount of ballast, liquid or otherwise, required if necessary to insure positive residual stability in the event of damage.

Exhibit VIII—Machinery Specifications.—

These are to be in sufficient detail to include the following data:

- Type of main propelling machinery.
- Shaft horsepower and propeller revolutions.
- Percentage of propelling power in excess of normal power requirements.
- Engine revolutions per minute for normal power.
- Astern power in percentage of normal ahead power.
- Steam pressure and total temperature at superheater outlet or, when no superheat is used, the steam pressure at boiler outlet.
- Steam pressure and total temperature in high pressure steam chest.
- Vacuum and the temperature of sea water.
- Water rate, straight condensing (prime mover only).
- Heat balance diagram.

The rate of fuel consumption per shaft horsepower per hour for all purposes, for average climatic conditions under which the vessel will normally operate, for either steam or Diesel installation, as the case may be, shall be the result obtained by dividing the total weight in pounds of fuel consumed per hour by the shaft horsepower transmitted to the propeller shaft, when main propelling machinery is developing the shaft horsepower specified for sustained sea speed. The shaft horsepower specified for sustained sea speed is the normal shaft horsepower, i. e., without any overload.

The characteristics of the fuel on which the fuel rate is based shall be submitted with the fuel rate. The Applicant shall state the average temperature of the outside air and sea water in degrees Fahrenheit, representing average climatic conditions, upon which is based the computation of the rate of fuel consumption.

- Diameter and pitch of propeller.
- Type of drive and principal characteristics.

Particulars of all auxiliary machinery, including water rates of steam driven units.

Exhibit IX—Machinery Plans.—

- Arrangement of main propelling and auxiliary machinery.
- Electrical generating plant.
- Refrigerating plant.

Exhibit X—Communication Facilities.—

Data covering facilities for communications by radio, searchlight, sound or other means.

(Name of Applicant)

Attest:

By: _____

Secretary.

STATE OF _____
County of _____

ss.:

I, _____, being duly sworn, depose and say that I am the _____

(Title of office)

of _____, the Applicant on _____
(Exact name of Applicant)

whose behalf I have executed the foregoing application; that the Applicant is a citizen of the United States within the meaning of the Shipping Act, 1916, as amended, (U. S. C., Title 46, Sec. 802); that this application is made for the purpose of inducing the United States Maritime Commission to grant to the Applicant pursuant to the provisions of the Merchant Marine Act, 1936, and particularly Section 509 thereof, aid in the construction of a new vessel to be operated in the domestic trade; that I have carefully examined the application and all documents submitted in connection therewith and, to the best of my knowledge, information and belief, the statements and representations contained in said application and related documents are full, complete, accurate, and true.

Subscribed and sworn to before me, a _____, in and for the State and county above named, this _____ day of _____, 1937.

My commission expires _____

GENERAL INFORMATION FOR APPLICANTS

Applications under Section 509 of the Merchant Marine Act, 1936, for aid in the construction of new vessels to be operated in the domestic trade may be made by citizens of the United States.

Each application should contain sufficient information to enable the Commission to make the necessary determinations as to (a) citizenship of the Applicant, (b) ability of the Applicant to make the required payment of not less than 25 per cent of the cost of the vessel (excluding cost of national-defense features) and to pay the balance of the purchase price within twenty years in not to exceed twenty equal annual installments with interest at 3½ per centum per annum, and (c) the suitability of the proposed vessel to the service, route or line for which intended. Section 501 (b) of the Act requires that the plans and specifications be submitted to the Navy Department for its examination and suggestions. The Commission may call for any information which it deems pertinent in addition to that specified in the approved form of application.

The Commission has prescribed the following particular requirements affecting design of vessels to be constructed with Commission aid for operation in the domestic trade:

(a) The standard to be followed in regard to all types of vessels shall be as required by the Report dated November 27, 1936, of the Technical Committee on Safety at Sea of the Sub-Committee on Department of Commerce and Merchant Marine of the Senate Committee on Commerce, pursuant to Senate Resolution No. 7 (74th Congress) as appearing in Senate Report No. 184 (75th Congress—1st Session).

(b) The vessel must be entitled to receive from the American Bureau of Shipping certificates evidencing highest ratings or classifications in all particulars.

(c) Cargo vessels shall be at least one compartment ships.

(d) Provision for fuel and reserve feed water shall be sufficient to insure a radius of action of not less than six thousand (6,000) nautical miles at designed load draft and at the specified sustained sea speed, unless it can be shown that such a requirement will constitute a definite handicap.

(e) The stem is to be so designed as to make it suitable for the installation of paravane gear of the sliding shoe type.

(f) Necessary stiffening of deck shall be provided during construction of the vessel, suitable for mounting such guns as may be specified by the Navy Department after consideration of the plans.

(g) The specifications and plans must represent a vessel which in all her parts, appurtenances, equipment, and outfit will comply with all the laws of the United States applicable thereto, including the requirements of the Bureau of Marine Inspection & Navigation, Commerce Department, the Navy Department, and the United States Public Health Service.

INSTRUCTIONS AS TO PREPARATION OF APPLICATION

1. The application shall be made in triplicate, at least one copy of which shall be signed. The Applicant shall furnish promptly such number of additional copies of the application or any part thereof as the Commission may request.

2. Each application shall be complete. Items or parts of items which are inapplicable may, however, be omitted. The information required by Article 28 need be furnished only as stated in that item. Detailed descriptions of exhibits need not be given.

The Applicant may incorporate by specific reference information previously furnished the Commission, provided that such information so incorporated shall have been furnished at least in triplicate and is readily available in the files of the Commission.

3. If any information called for by an applicable item is not furnished, an explanation of the omission shall be given. The Applicant may furnish such relevant information as it may desire, in addition to that specified in the form.

4. Any additional information called for by the Commission from time to time shall be furnished as an amendment or amendments to the application. Each amendment shall be filed in triplicate, shall refer to the application, and shall be numbered and dated. Without any specific request from the Commission, the Applicant shall file from time to time as amendments any information necessary to keep current and correct while the application is pending the information contained therein or furnished in connection therewith.

[F. R. Doc. 37-2799; Filed, September 20, 1937; 4:28 p. m.]

[General Order No. 12]

INFORMATION AND PROCEDURE REQUIRED UNDER THE OPERATING DIFFERENTIAL SUBSIDY AGREEMENT

In compliance with the terms of the Operating-Differential Subsidy Agreement, the following information shall be submitted to the Commission by operators who are parties to such agreements:

Sailing Schedules, Routes, Etc.—On or before the 15th day of each month, there shall be submitted, for approval by the Commission, a statement in triplicate of all sailings scheduled to be made during the ensuing month by the vessels covered in the agreement. This statement shall show, in respect to each vessel, the anticipated sailing dates, ports of call and whether carrying passengers or freight. Each monthly statement shall be numbered serially in accordance with present practice.

This supersedes Traffic Circular No. 1.

Condition of Vessels, Inspection and Repairs.—In order that the Commission may have an opportunity to participate in the inspection of the vessels, the operator is required to give twenty-four hours' notice as to the time and place of making inspections. In the event inspection is made in absence of Commission's representative, the operator shall proceed with inspection, reporting on U. S. M. C. Form TD 100B and sworn to by persons making the inspection and submitted to the Commission.

The operator shall give due notice of the port date and time when making repairs and/or replacements in the United States.

Repairs are to be performed within the continental limits of the United States, except in emergency cases, the necessity for which operators should be prepared to justify upon audit.

Insurance.—There shall be submitted to the Commission, for its approval, signed copies of the cover notes issued by your brokers at the time the insurance was bound, setting forth the amounts covered by hull, disbursements and other forms of total loss protection as well as by P. & I. insurance. They shall include the rates, the amounts placed in the different markets, the companies interested with the numbers of their policies and the amount underwritten by each, and the amount of the deductible average, if any. On request of the Commission, the policies are to be temporarily submitted for examination.

The Commission should be advised promptly if any cancellations, changes in the terms or companies interested, of any lay-up periods which will permit of the collection of return premiums and of any major casualty or total loss which may occur.

The insurance arranged in conformity with the requirements of the mortgage, held by the United States will be sufficient and no other information shall be necessary, even though the vessels are also covered by the subsidy agreement.

The Commission desires to have as much of this insurance, as is practicable, placed in the American market and when negotiating for the renewal of the current insurance, it is

requested that particular attention be given to the desires of the Commission with regard to the markets in which the insurance is to be placed and that the Commission be notified in ample time so that facts can be given consideration and the insurance approved or changes can be made prior to attachment.

Inventories.—Twenty-four hours notice should be given as to the time and place of inventorying classification required spare parts, ships spare equipment, fuel and stores as are customarily inventoried and the cost of which is charged to the voyage accounts. If, upon giving the above required notice, the Commission's representatives are not present, the operator is to proceed with his inventory in the normal way. The operator may use his own inventory forms, one copy of which shall be sworn to by the persons taking the inventory and which shall be included in the voyage account.

Partial Payments on Account.—When partial payments on account of the operating-differential subsidy are desired, the operator should communicate with the Chief, Examining Section, who shall forward necessary instructions and forms to be used.

Current Financial Reports.—The operator should submit, not later than the 20th of each month, balance sheets, operating and profit and loss statements for the preceding month in such form as is customarily prepared for the operator's own use.

It is understood that such statements will not reflect final adjustments which may be necessary to correctly reflect the accounts in all cases; if no balance sheets and operating and profit and loss statements are customarily prepared for the operator's own use, monthly trial balances may be submitted instead.

General.—All reports and other communications called for by the foregoing, should be addressed to: Chief, Examining Section, United States Maritime Commission, Washington, D. C.

By order of the United States Maritime Commission.

[SEAL]

W. C. PEET, Jr., Secretary.

AUGUST 26, 1937.

[F. R. Doc. 37-2797; Filed, September 20, 1937; 3:58 p. m.]

[General Order No. 13]

APPLICATION FOR OPERATING DIFFERENTIAL SUBSIDY UNDER TITLE VI, MERCHANT MARINE ACT, 1936

General Order No. 5,¹ relating to the form of application for operating-differential subsidies, is hereby rescinded and the attached form VI-A is hereby adopted as the required form of application for operating subsidies under Title VI of the Merchant Marine Act of 1936.

Applications for subsidies to become effective on January 1, 1938, are required to be filed on or before October 4, 1937.

By order of the United States Maritime Commission.

[SEAL]

W. C. PEET, Jr., Secretary.

SEPTEMBER 17, 1937.

FORM VI-A

APPLICATION FOR OPERATING-DIFFERENTIAL SUBSIDY UNDER TITLE VI, MERCHANT MARINE ACT, 1936

The undersigned Applicant, _____ a citizen of the United States, hereby applies under Title VI of the Merchant Marine Act, 1936, (herein referred to as the Act) for financial aid in the operation of vessels which are to be used in the essential service in the foreign commerce of the United States, and in order to induce the Commission to act favorably on this application, the Applicant submits in support of its application the following information:

A. As to the Applicant; Its Citizenship and Affiliations.—

1. Exact name.
2. Form or type of organization.

¹ F. R. 2267.

3. State or other sovereign power under the laws of which organized.

4. Address of principal executive offices, and of important branch offices, if any.

5. A list of (a) all subsidiaries, (b) all parent companies, (c) and all affiliated companies of the Applicant, together with an indication of the nature of the business transacted by each. If practicable, this information should be supplemented by a chart, indicating clearly the relationships between the persons named, and the nature and extent of control.

6. The following information with respect to each officer and director of the Applicant.

Name and address	Office	Salary	Nationality	Capital shares owned	Other business connections

7. The name, address and nationality of, and number of capital shares owned by, each person not named in answer to Item 6, owning of record, or beneficially if known, more than 5 per cent of the outstanding capital shares of any class of the Applicant. If necessary, furnish additional data necessary to establish the fact that, as required by Section 2 of the Shipping Act, 1916, the controlling interest in the Applicant is owned by citizens of the United States.

8. A brief statement of the general effect of each voting agreement, voting trust, or other arrangement whereby the voting rights in any shares of the Applicant are owned, controlled or exercised, or whereby the control of the Applicant is in any way held or exercised by any person not the holder of legal title to such shares. Give the name, address, nationality, and business of any such person, and, if not an individual, the form of organization.

9. A statement (as required by Section 602 (b) of the Act) disclosing the names of all persons having any pecuniary interest, direct or indirect, in this application or in the ownership or use of the vessel or vessels, routes, or lines covered thereby, and the nature and extent of any such interest. In answer to this item, information furnished under other items of this application may be incorporated by reference and need not be set forth again in detail.

B. As to the Applicant; Its Business Activities and Relationships.—

10. A brief description of (a) the shipping business of the Applicant; and (b) any other business activities of the Applicant during the preceding five years. If within such period the Applicant has acquired the business of another person or has been reorganized, there should be included a brief description of such acquisition or reorganization.

11. A brief description of the general character and location of the principal property of the Applicant, other than vessels, employed in its business.

12. Full details concerning the services, routes, or lines on which vessels owned or chartered by the Applicant are now operated, including ports of call, terminal and dock facilities at all such ports, frequency of sailings per year during recent years, description of services and voyages, and names of vessels segregated according to services, routes, or lines.

13. Type and kind of cargo now carried in the trade served as stated in the answer to Item 12, information as to how the service or line may be developed for carrying additional types and kinds of cargo, and any factors influencing cargo expectations for the future. State also, by classes, the passenger accommodations and the number of passengers carried and any factors influencing traffic expectations for the future.

14. Information similar to that called for by the two preceding items with respect to any new service, route, or line which the Applicant proposes presently to establish.

15. A statement of the minimum and maximum number of annual sailings which the Applicant desires to make under the proposed subsidy agreement, and a brief summary of traffic statistics and other facts in support thereof. If the Applicant is required to make extra sailings to meet seasonal traffic movements, a comprehensive statement should be furnished outlining the program normally followed by the Applicant in handling such business during these periods.

16. A general description of the manner in which the Applicant obtains stevedoring, ship repair, ship chandler, towboat, and kindred services to vessels which it owns or operates. Give the name and address of each person, and identify each class of persons, furnishing any such service and, in each case, describe the services rendered, and summarize the terms of any contractual or other arrangements therefor. State whether or not any relationship exists which would have caused the employment of any such person or class of persons by the Applicant to be unlawful under Section 803 of the Act if the services were supplied to a subsidized or chartered vessel, and, if so, describe such relationship.

17. A statement of whether or not there exists or is known to be presently contemplated any relationship which would have caused the employment by the Applicant of any person or class or persons referred to in answer to Item 18 (in the absence of approval by the Commission) to be unlawful under Section 803 of the Act if the services were supplied to a subsidized or chartered vessel. If so, describe such relationship and if it is to be terminated with respect to any vessels referred to in answer to Item 21, the time and manner of the proposed termination. Refer also to any application for waiver of the provisions of Section 803 of the Act which the Applicant proposes to file pursuant to Section 6 of the annexed instructions.

18. State whether or not there exists or is known to be presently contemplated any foreign-flag connection or relationship which (in the absence of waiver by the Commission) would be unlawful under Section 804 of the Act if the Applicant were receiving an operating-differential subsidy under Title VI of the Act. If so, describe such connection or relationship, state the amount of profit resulting from each of such activities, and if they are to be terminated, the time and manner of the proposed termination.

19. State whether or not the Applicant has contracted or expects to contract with any holding company, affiliate company, or associate company, for the use of terminal facilities. If so, furnish a copy of the contract and a financial statement setting forth the profit or loss resulting to such holding company, affiliate company or associate company from its ownership and/or operation of such terminal facilities (a) during the past five years, and (b) under the contemplated arrangement.

20. State whether the Applicant or any holding company, subsidiary or affiliate or associate of the Applicant or any officer, director, agent or executive thereof, directly or indirectly, owns, operates, or charters any vessel or vessels engaged in the domestic, intercoastal or coastwise services or owns any pecuniary interest, directly or indirectly, in any person or concern that owns, charters or operates any vessel or vessels in the domestic, intercoastal or coastwise service. If so, state whether the Applicant or other person above mentioned or a predecessor in interest was in bona fide operation as a common carrier by water in such domestic, intercoastal or coastwise trade in 1935 over the route or routes or in the trade or trades above mentioned, and has so operated since that time, or, if engaged in furnishing seasonal services only, was in bona fide operation in 1935 during the season ordinarily covered by its operations.

21. State whether the Applicant employs or expects to employ any other person or concern as the managing or operating agent of the Applicant. If so, furnish financial statements indicating the profits or losses, if any, resulting to such other person or concern from its managing or operating agency (a) during the past five years, and (b) under the contemplated arrangement. Also attach a copy of the contract covering such services.

C. As to the Applicant; Its Qualifications for a Subsidy Under Section 601 of the Act.—

22. A full and complete statement of the circumstances, facts, and other proof which, in the opinion of the Applicant, would support each of the following determinations required to be made by the Commission (pursuant to Section 601 of the Act) prior to approval by it of this application:

(a) That the operation of the vessel or vessels in the service, route, or line referred to in answer to Item 23 is required to meet foreign-flag competition and to promote the foreign commerce of the United States;

(b) That the Applicant owns, or can and will build or purchase, a vessel or vessels of the size, type, speed, and number, and with the proper equipment required to enable it to operate and maintain the service, route, or line, in such manner as may be necessary to meet competitive conditions, and to promote foreign commerce;

(c) That the Applicant possesses the ability, experience, financial resources, and other qualifications necessary to enable it to conduct the proposed operations of the vessel or vessels as to meet competitive conditions and promote a foreign commerce; and

(d) That the granting of the aid applied for is necessary to place the proposed operations of the vessel or vessels on a parity with those of foreign competitors, and is reasonably calculated to carry out effectively the purposes and policy of the Act.

In answer to this item, information furnished under other items of this application may be incorporated by reference and need not be set forth here in detail.

D. As to the Applicant; Its Vessels and Replacement Program.—

23. A list and description of all vessels owned by the Applicant, including (a) name; (b) gross tonnage; (c) net tonnage; (d) deadweight tonnage; (e) year built; (f) type; (g) fuel capacity and consumption; (h) speed; (i) registry; (j) identification of route or service on which operated; and (k) amount of refrigeration. If Applicant owns vessels which are not to be subsidized, such vessels should be listed separately.

24. Information similar to that specified in Item 12 as to any vessels chartered to and operated by the Applicant.

25. Briefly, the general terms of each charter for operation (a) of vessels owned by the Applicant and chartered by it to

other persons, and (b) of vessels chartered by the Applicant from other persons.

26. Information sufficient to demonstrate that each of the vessels for which a subsidy is requested is (a) of steel or other acceptable metal, (b) propelled by steam or motor, and (c) as nearly fireproof as practicable; also that such vessels were built in a domestic yard or have been documented under the laws of the United States not later than February 1, 1928, or were actually ordered and under construction for the account of a citizen of the United States prior to such date.

27. A description and summary of the program for replacement of the Applicant's subsidized vessels. The description should include full information concerning the following, if practicable:

(a) The number, size, and type of vessels to be constructed, general characteristics of the proposed vessel including (a) principal dimensions; (b) gross and deadweight tonnage; (c) bale and grain capacities of all cargo holds; (d) capacities of all tanks, storage spaces, refrigerator cargo spaces and separately chilled cargo spaces; (e) number and classes of passenger accommodations; (f) type and power, and in case of steam machinery, the gauge pressure, total temperature, and vacuum expected of propulsive machinery; (g) kind of fuel to be burned; and (h) sustained sea speed at designed load draft. There should also be given the name of the proposed supervising architect and a brief statement of his experience and qualifications.

(b) The proposed arrangement for financing the new construction.

(c) Amount of construction subsidy that the Applicant will expect.

(d) The effect of the operation of new vessels on the subsidized services. In this connection the information should cover (a) the effect of the new vessels upon turn around days, changes in frequency of sailings, re-alignment or reduction of fleet, and (b) by the operating results, economies, expenses, and capital costs that are expected to result from the replacement program, and (c) the effect of the replacement program on the amount of operating subsidy required by the Applicant. Operating forecasts giving effect to the above should supplement this information.

E. As to the Applicant; Its Foreign-flag Competition.—

28. List and describe all services, whether American flag or foreign, which are claimed to compete directly with the lines operated by the Applicant. The services competing with each of the Applicant's lines should be stated and described separately, and ownership and registry of each competing service should be identified in sufficient detail to permit a comparison with the Applicant. In this connection, the name, registry, year built, type, gross, net and deadweight tonnage, and speed of the vessels operated by the Applicant's competitors, and the comparative freight and passenger rates of such competitors should be stated. Describe also any new foreign-flag competition which may originate during the next calendar year and any existing competition which may disappear during such period.

29. Furnish a detail and comprehensive analysis indicating the percentage of the total passenger and freight business on each of the Applicant's routes which is carried (a) by the Applicant, (b) by all other American services, and (c) by all competing foreign-flag services as a unit. Also furnish a breakdown indicating the percentage of the total foreign-flag business which is handled by each of the foreign-flag competitors. These analyses should, if practicable, be computed on the basis of (a) of comparative receipts of the competing lines, and also (b) upon the comparative tonnage and number of passengers carried by such lines and schedules reflecting such earnings and carryings should be furnished. The source of information in each case should be indicated.

30. Describe briefly all conferences and pools now in effect in any of the routes served by the Applicant. State whether the Applicant is a member of each such pool or conference and the effect of such pool or conference upon the division or allocation of freight or passenger business, and the establishment of rate differentials.

31. If it is desired that the Commission consider any indirect foreign-flag competition in determining the amount of the operating differential subsidy, the Applicant should furnish information similar to that required by Item 28 above as to all such indirect foreign-flag competitors. A full explanation should be offered as to the reason why indirect competition should be considered by the Commission.

32. Using the quotient 100 to express the total foreign-flag competition on each route served by the Applicant, state the percentage of the total foreign-flag competition which is represented (a) by each foreign-flag competitor, and (b) by all the lines of each nation represented among the foreign-flag competitors. The basis upon which the allocation is made should be set forth in detail. It is assumed that the Applicant will take into account in this connection not only the percentage of the total cargo and number of passengers carried by each competing service, but also all other pertinent factors such as the capacity and speed of ships employed and the frequency and regularity of sailings, the passenger and freight rates charged, the type of cargo, and class of passengers carried, etc.

F. As to the Amount of the Operating-Differential Subsidy.—

33. List all of the items for which an operating-differential subsidy is requested and state the amount requested for each item (a) in the aggregate, and (b) on each route. The amounts should be stated (a) in differential percentages, (b) in average voyage subsidy cost, and (c) in annual subsidy cost.

34. As to all expense items sought to be included in the operating-differential subsidy, furnish for each of the Applicant's routes a statement of the present day costs of each item (a) on a voyage basis, and (b) on an annual basis. The estimates should be supported by a comparative statement indicating the total and average cost of each item, both on a voyage basis (for each type of vessel and for each route) and on an annual basis (a) in 1935, (b) in 1936, (c) during the first six months of 1937, and (d) on terminations since July 1, 1937. Increases or decreases in American cost in any of the above periods should be reconciled by marginal comments.

In regard to 1937 expenses, the comparative statement should be prepared as follows: Wages paid in the Deck Department, the Engine Department, and the Steward's Department should be stated separately. Wages should also be broken down to show the amount represented by overtime and vacations. Subsistence should be broken down to show separately (a) the subsistence of officers and crew, and (b) the subsistence cost of passengers and others, and the cost per man per day under each classification. If separate messes for officers and crews are not maintained, a description of the method utilized in determining the costs should be furnished. The item of repairs should be segregated so as to indicate (a) repairs deferred from preceding accounting or subsidy periods, (b) current capital repairs, and (c) current operating repairs. If any of the operating repairs are of an unusual nature, that fact should be set forth in a marginal comment. If insurance is included among the items for which a subsidy is requested, the statement of insurance cost should be broken down to show separately the net premiums (rates and amounts) paid to others for each form of coverage and the estimated cost of self-assumed risks. In all cases, except wages and insurance, the Applicant should indicate that portion of the expenditures which were made in foreign countries. Actual wage scales and manning scales should be attached as exhibits if they differ from the minimum scales established by the Commission.

35. The following information should be furnished in regard to each route served by the Applicant, using the quotient 100 to represent the American cost in each case: (a) a schedule setting forth the comparative cost to each substantial foreign competitor on such route as to each of the items of expense for which a subsidy is claimed, and (b) a schedule setting forth the comparative costs to all foreign competitors as a unit of each of the items of expense for which a subsidy is claimed. For the latter schedule, differentials applicable to each competitor should be weighted in accordance with the degree of competition furnished by such competitor, and the basis upon which the differentials have been weighted should be stated, explained, and justified.

36. Submit full, comprehensive, and complete documentary and other proof as to the present day competitive advantages enjoyed by each foreign competitor in connection with each of the items of expenditure for which a subsidy is requested. The documentary evidence may be attached as an exhibit and summarized in the body of the application if desired. The source of the information, as well as the date when it was received, should be stated in each case.

37. State whether the Applicant has any information as to the extent to which each of the Applicant's substantial foreign competitors (a) employs American seamen; (b) patronizes American repair yards, ship chandlers or other ship suppliers; or (c) otherwise purchases or acquires in this country any of the items for which an operating subsidy is being requested by the Applicant. If the Applicant has any information in this connection, the same should be summarized, and the sources from which and the dates when same was obtained, should be indicated.

38. Set forth all items, other than the items of expense mentioned in Paragraph 35 above, as to which a subsidy is being claimed by the Applicant. State the basis for including such additional items in the operating subsidy computation, and present such full and complete documentary and other proof as will justify the awarding of a subsidy for such additional items.

G. As to Financial Matters.—

39. Furnish the following financial statements:

(a) Comparative balance sheets of the Applicant as of January 1, 1936; January 1, 1937; June 30, 1937; and January 1, 1938 (the balance sheet for January 1, 1938, to be estimated). Any material changes between the above balance sheets should be reconciled by marginal notations. Information should also be furnished as to the basis used in valuing the Applicant's vessels and other principal assets.

(b) A comparative operating statement of the Applicant showing the results of operations for the following periods:

(a) 1936; (b) the first six months of 1937; and (c) the last six months of 1937 as estimated by the Applicant. If Applicant engages in the protected trade, the percentage of revenue arising out of such protected trade should be indicated. Also, if the Applicant serves more than one route, individual operating statements should be furnished for each route in addition to the general operating statement reflecting all of the Applicant's operations.

(c) A comparative statement of voyage accounts covering all 1937 voyage terminations and the corresponding voyage terminations in 1936, with marginal comments reconciling the material changes that have occurred since 1936.

(d) A forecast of operations (a) for the six-month period ending December 31, 1937; and (b) for one or more calendar years beginning January 1, 1937, supported by marginal explanations reconciling all substantial changes from the preceding calendar year.

For the above statements mail pay and subsidy should be stated separately.

40. Describe any contemplated plan of reorganization or recapitalization involving new capital, the consolidation or merger of Applicant with affiliated or other companies, debt elimination, or other changes or modifications in the corporate structure, and indicate by appropriate financial statements the anticipated results thereof.

H. As to Exhibits Furnished.—

41. A list of exhibits properly identified, which shall include, at the time of original filing, the following:

Exhibit I.—A copy of the Certificate of Incorporation of the Applicant or other organization papers, including all amendments thereto presently in effect.

Exhibit II.—A copy of the By-Laws or other governing instruments of the Applicant, including all amendments thereto presently in effect.

Exhibit III.—A copy (specimen if available) of each form of bonds or notes included in the funded debt of the Applicant, and a copy of each indenture or other instrument under which such securities were issued, including all amendments thereto presently in effect.

Exhibit IV.—Unless such information has previously been furnished, a copy of the financial statements and related schedules and statistical data which would be required to be furnished if the Applicant had been obligated to the United States of America for a construction loan on and after the preceding December 31. The information included in this exhibit shall be similar to that specified in pages 12 through 54 of the Commission's form of "Annual Report and General Financial Statement for Calendar Year 1936" for various persons, including companies obligated to the United States of America for construction loans.

Exhibit V et seq.—Such of the financial statements, copies of contracts, schedules, and other data required hereunder which Applicant desires to attach as exhibits instead of incorporating in the body of the application.

(Name of Applicant)

Attest:

By:

Secretary.

STATE OF _____,
County of _____, ss.:

I, _____, being duly sworn,

depose and say that I am the _____

(Title of office)
of _____, the Applicant on

(Exact name of Applicant)
whose behalf I have executed the foregoing application pursuant to authority duly vested in me by the Board of Directors of the Applicant, which has duly authorized the filing of this application; that the Applicant is a citizen of the United States within the meaning of the Shipping Act, 1916, as amended, (U. S. C., Title 46, Sec. 802); that this application is made for the purpose of inducing the United States Maritime Commission to grant an operating-differential subsidy to the Applicant, pursuant to the provisions of the Merchant Marine Act, 1936, and particularly Title VI thereof; that I have carefully examined the application and all documents submitted in connection therewith and, to the best of my knowledge, information and belief, the statements and representations contained in said application and related documents are full, complete, accurate, and true.

Subscribed and sworn to before me, a _____, in
and for the State and County above named, this _____ day
of _____, 1937.

My commission expires _____.

INSTRUCTIONS AS TO PREPARATION OF APPLICATION

1. The application shall be made in triplicate originals, and should be executed and verified by one of Applicant's principal

officers. Applications shall be printed, multigraphed or mimeographed, or prepared in some equivalent manner so as to insure legibility of all copies. Applications should be indexed and, if practicable, the pages should be approximately 8½ by 11 inches in size. The Applicant shall furnish three originals and fifteen copies of the application to the Commission.

2. Each application shall be complete. Items or parts of items which are inapplicable may, however, be omitted. Detailed descriptions of exhibits need not be given. The Applicant may incorporate by specific reference information previously furnished the Commission, if voluminous, provided that such information so incorporated shall have been furnished at least in triplicate and is readily available in the files of the Commission.

3. If any information called for by an applicable item is not furnished, an explanation of the omission shall be given. The

Applicant may furnish such relevant information as it may desire, in addition to that specified in the form.

4. Any additional information called for by the Commission from time to time shall be furnished as an amendment or amendments to the application. Each amendment shall be filed in triplicate originals, shall refer to the application, and shall be numbered and dated. Without any specific request from the Commission, the Applicant shall file from time to time as amendments any information necessary to keep current and correct while the application is pending the information contained therein or furnished in connection therewith.

5. Applications under Sections 803, 804, 805 (a) and (d), 605 (b) should, if practicable, accompany the application. Instructions to cover the form of such special applications will be issued shortly.

[F. R. Doc. 37-2798; Filed, September 20, 1937; 3:58 p. m.]